



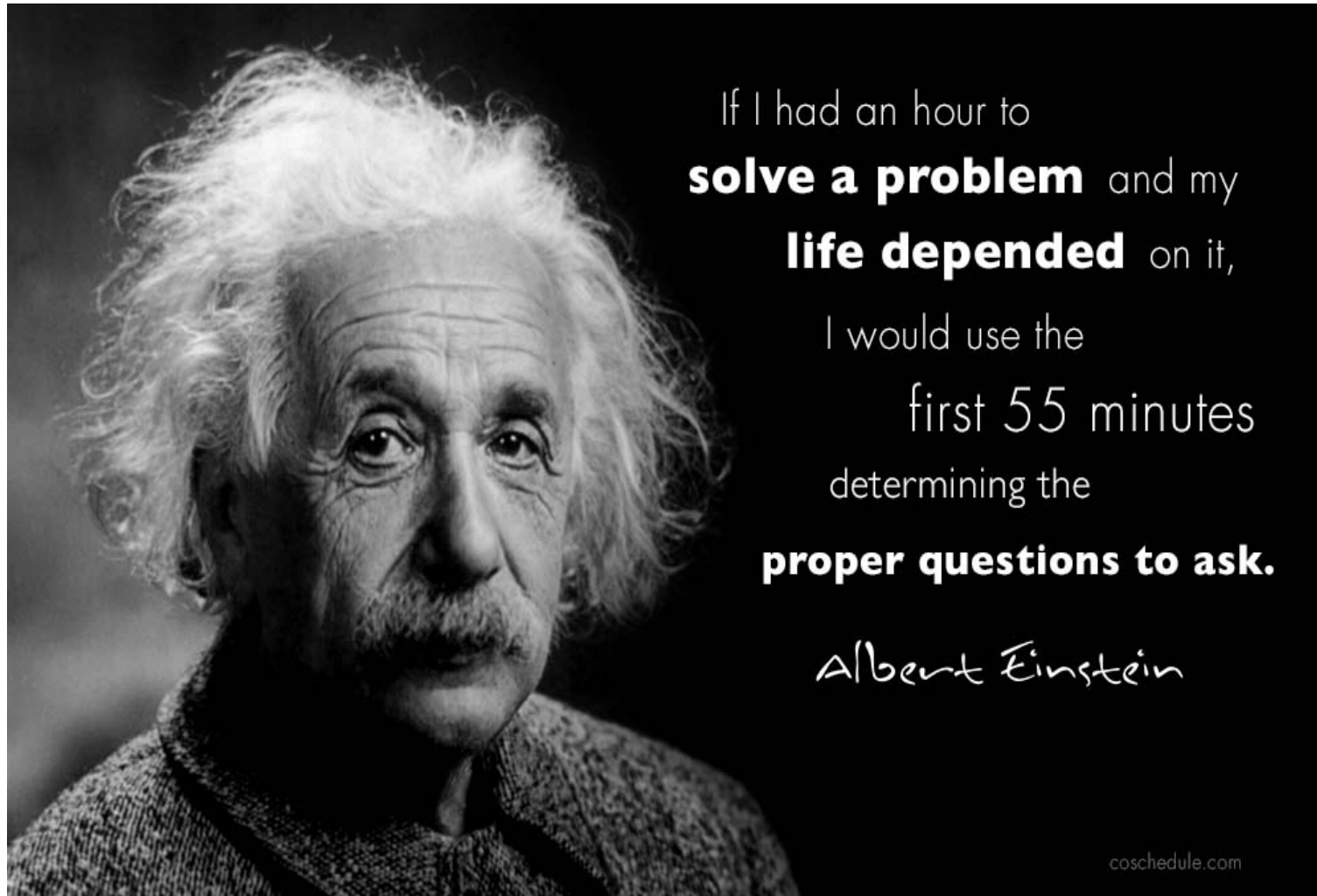
San Francisco  
International  
Airport

# Medical Marijuana at Airports

*Evolving Practices*

January 17, 2019





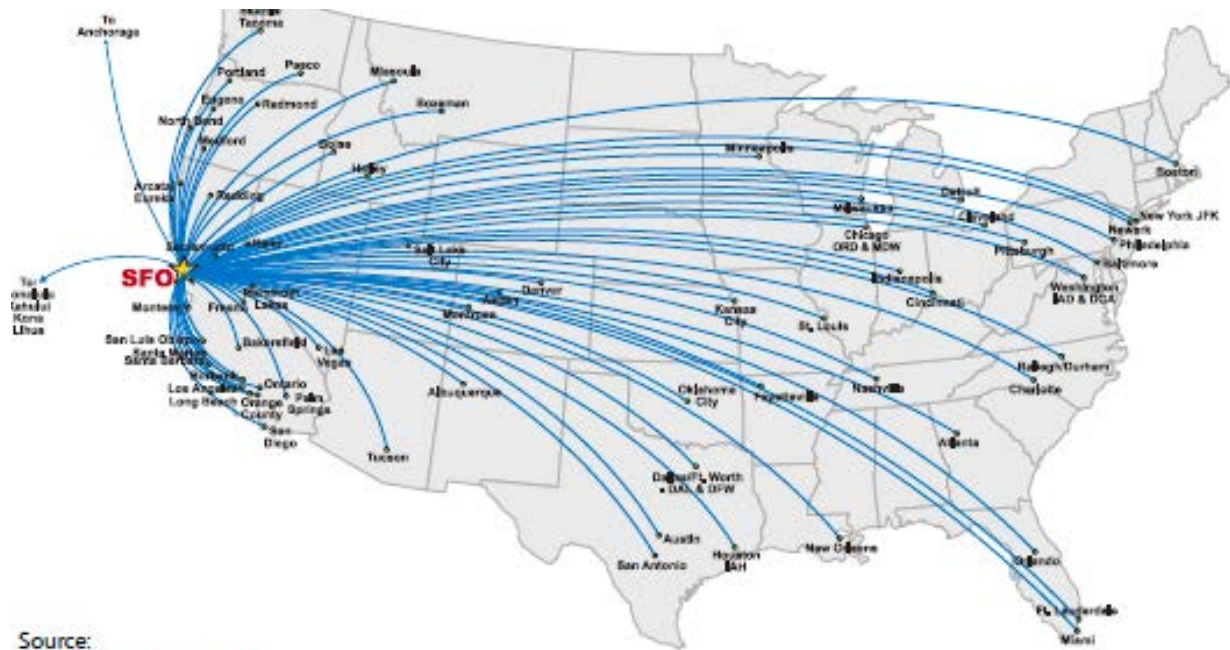
If I had an hour to  
**solve a problem** and my  
**life depended** on it,

I would use the  
first 55 minutes  
determining the  
**proper questions to ask.**

*Albert Einstein*

# Topics

## Marijuana at the Airport



Source:  
<sup>1</sup>U.S. DOT, Schedule T100  
<sup>2</sup>Report of the Airport Consultant: Table 11

Landscape in Legalized States

Employment Practices



The Airport Environment

Contractors, Vendors, Suppliers, and Tenants



# Legalization for Medical Use

## *Marijuana at the Airport*

### Legalized States (DISCLAIMER)

- Amounts and frequency varies
- Quality and standards on dose is still in question
- Varies from state-to-state
- Studies on effects on people?

### Landscape in California

- Legalized recreational and medicinal use
- Compassionate Use Act
- Ross vs. Ragingwire, you can deny employment even if for medical for safety purposes

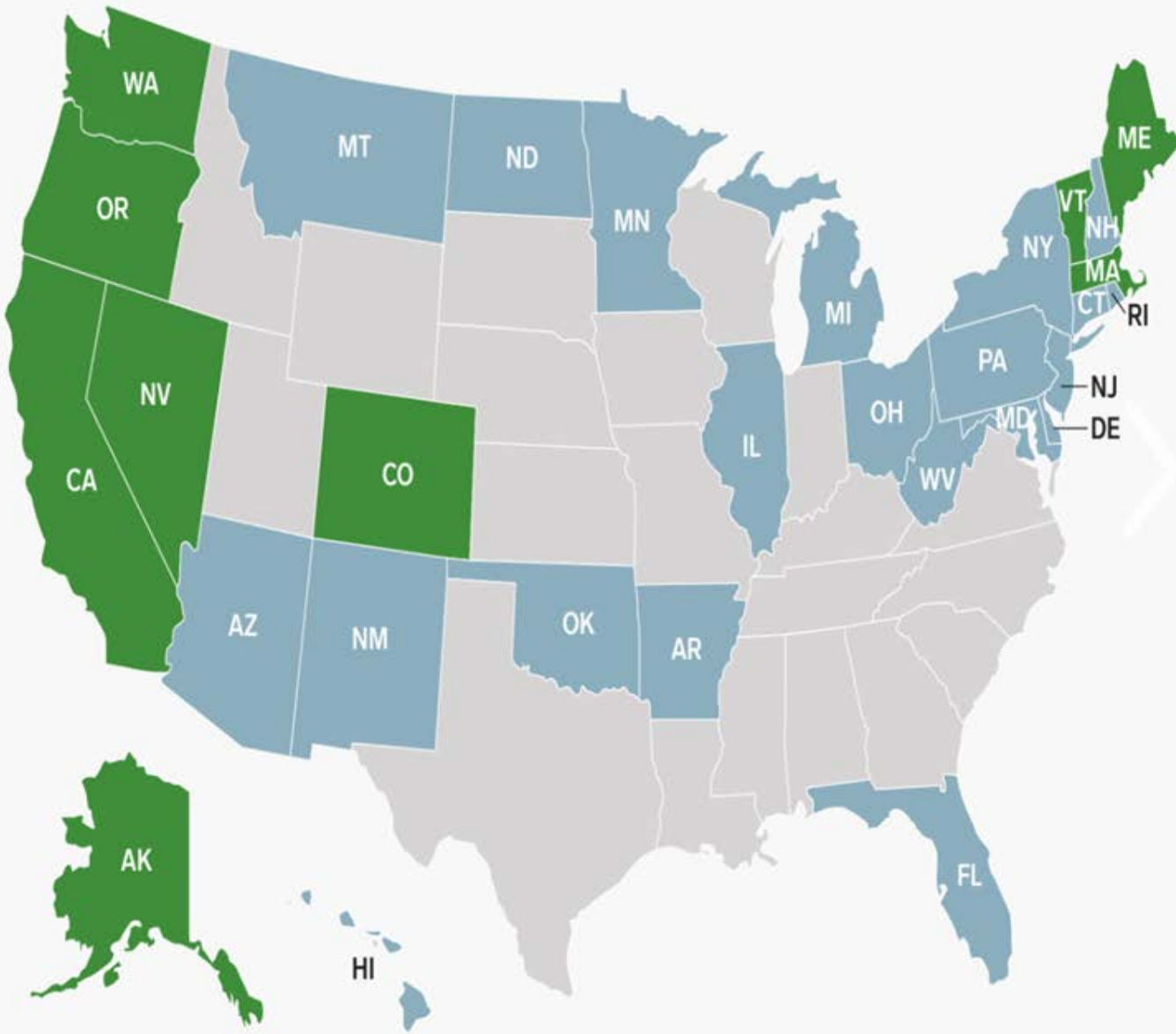
### Federal Considerations?

# Nationwide Landscape

Status as of 2018

## States where marijuana is legal

- Legalized recreational and medical marijuana
- Legalized medical marijuana



1

### Robust Local Economy

- San Francisco CSA economy is diverse, with a strong presence of clean energy, social networking and media, health care and high-technology industries<sup>1</sup>
- Per capita personal income in San Francisco CSA was 54% higher than U.S. in 2016<sup>2</sup>

2

### Continued Traffic Growth

- SFO saw nine years of robust enplanement increases, evidenced by a 58% aggregate increase since 2009<sup>3</sup>
- SFO served 28.8 million enplaned passengers in FY2018, up 7.2% from FY2017<sup>4</sup>
- International enplanement growth is also robust, up 7.9% in FY2018 as compared to FY2017<sup>3</sup>, making SFO the 4<sup>th</sup> busiest U.S. gateway by international enplanements as of February 2018<sup>5</sup>

3

### Strong Financial Performance

- Non-Airline Revenues continue to grow, resulting in stable airline costs<sup>6</sup>
- Transportation Net Companies ("TNCs") trip fees have seen rapid growth over the last 3|years<sup>7</sup>
- Debt service coverage remains stable and is projected to be in the range of 1.34x and 1.42x through 2025 (including transfer from Contingency Account)<sup>8</sup>

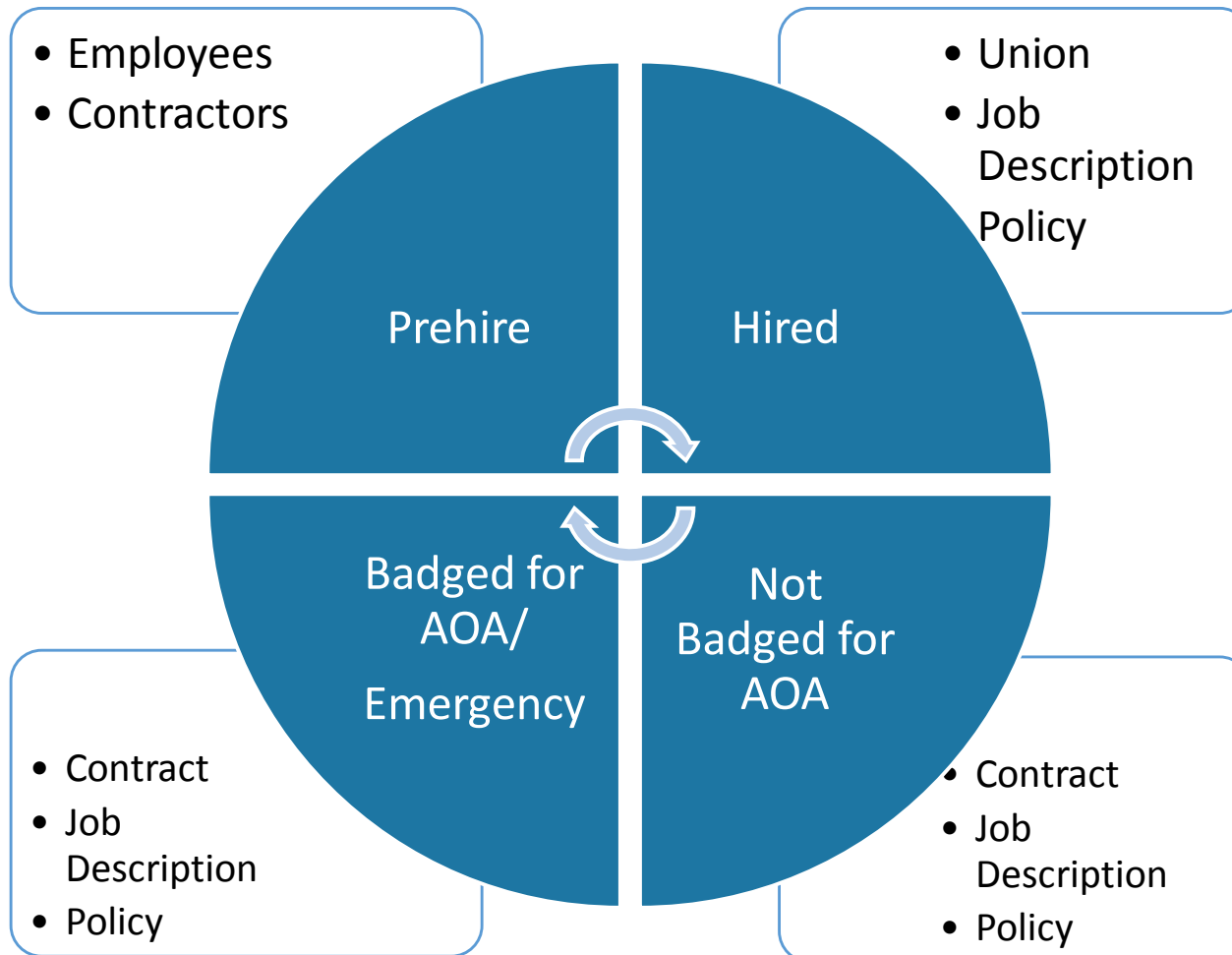
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### Strategic Capital Improvements

- The Ascent Program remains on schedule<sup>9</sup>
- Several key projects will open in 2019<sup>10</sup>

# Landscape of Employees

## Looking at Employees



- Union Contracts
- Policy limited to Safety Needs (after the hire)
- Testing (onsite swab and time frame for impairment post use)
- Special Considerations
  - Heavy machinery or equipment
  - Airside work
  - Emergency services
  - Security services
  - Medical services
  - Airfield work



## Setting up a Program for Success

### Setting up your Organization

- Use hiring practices aimed to reduce exposure
- Have well defined job descriptions showing safety concerns
- Have updated policies that you can implement
- Disciplinary Process

### Good Hiring Practices

- Pre-employment drug testing
- Employee orientation with clear expectations
- Well defined safety requirements
- \*Watch the Courts

### Third Party Contracting

- Well defined contract needs for testing
- Consider volume and frequency needs
- Make "as needed"
- Swab verses other testing methods
- Define what is the safety consideration?

# Contractors, Vendors, Suppliers

## What Now (Construction?)



**Second Long-Term Parking Garage**  
 Est. Cost \$161 million  
 January 2019

- 3,000 new parking stalls and 600 replacement stalls
- Connection to terminals via AirTrain scheduled in 2020



**Grand Hyatt at SFO**  
 Est. Cost \$240 million  
 Summer 2019

- 351 rooms; only luxury, full service hotel in SFO submarket
- New AirTrain station provides direct access to Terminals



**Boarding Area A Gate Enhancements**  
 Est. Cost \$98 million  
 Summer 2020

- Advanced aircraft docking system
- New boarding bridges and reconfiguration for more widebody aircraft



**AirTrain Extension**  
 Est. Cost \$219 million  
 Spring 2020

- Extended to Long Term Parking Garage with a new station

### 2019 2020

**Security Infrastructure Project**  
 Est. Cost \$166 million  
 Summer 2019

- Airfield & terminal power & telecom infrastructure modernization

**Terminal 2 Office Tower**  
 Est. Cost \$92 million  
 Fall 2019

- New airline lounge space, café, office space, and observation deck



**Boarding Area B Phased Opening**  
 Est. Cost \$2.4 billion (Total Terminal 1 Program)  
 Summer 2019

- First 9 gates of new Boarding Area B



**Wastewater Treatment Plant**  
 Est. Cost \$94 million  
 Fall 2019

- Construction of a new industrial waste treatment plant

**Terminal 1 and Boarding Area B Next Phase**  
 Est. Cost \$2.4 billion (Total Terminal 1 Program)  
 Winter 2020

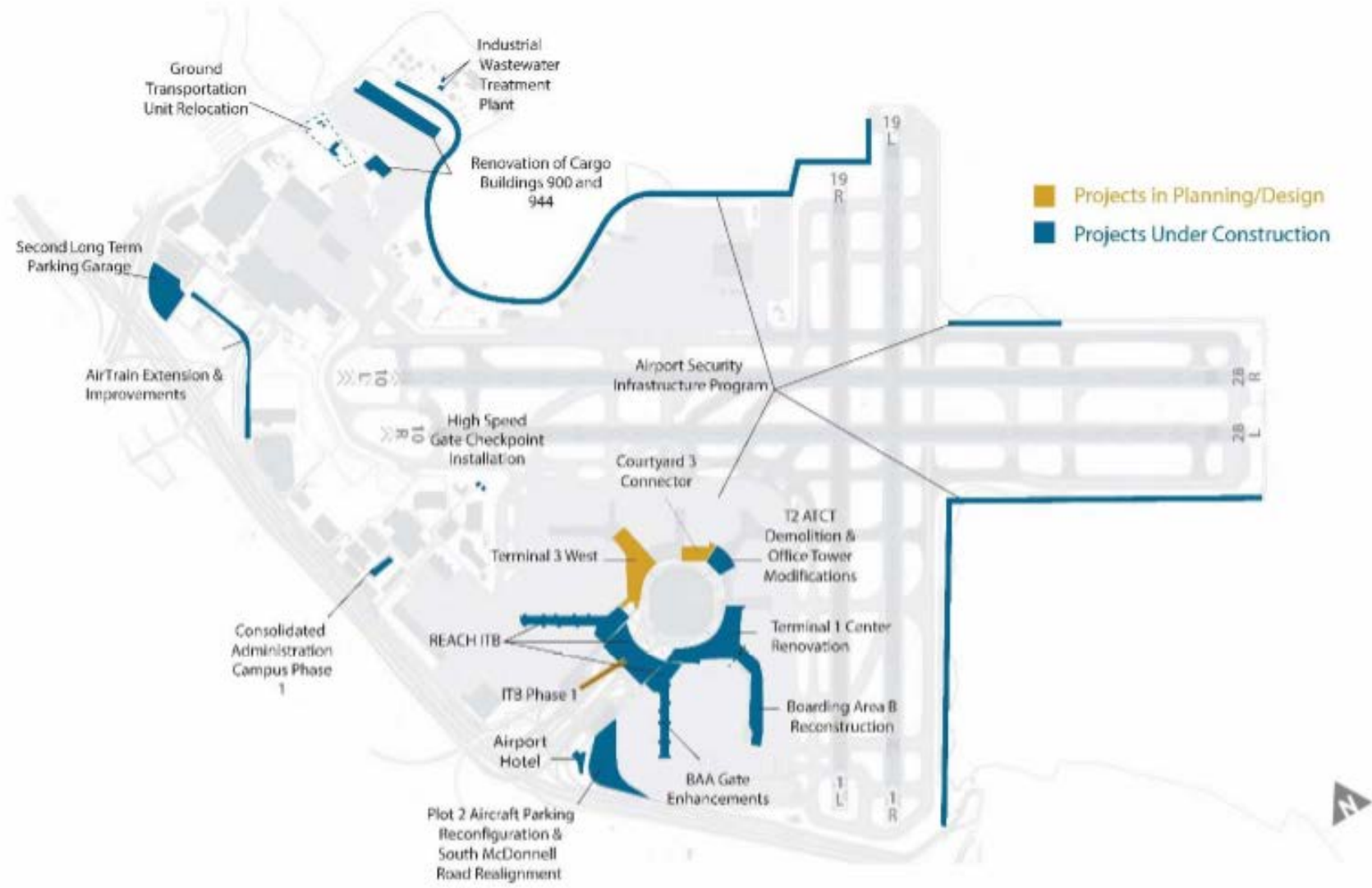
- Next 9 gates of Boarding Area B open, totaling 18
- Six concessions opening



Note: \*Project dates are estimated and subject to change  
 Source: Report of the Airport Consultant: Projects in the Capital Improvement Plan

# Construction at SFO

## AOA and NonAOA



- Current discussions on key terms and conditions
  - Safety Guide Scope
  - Compliance for standards
  - Results
- Setting standards?
- AOA verses non-AOA
- Keeping agreements in line with an ever-changing environment

# Key Takeaways from Today

- Evaluate the landscape of your State and prepare for change
- Assess your organization and flexibility of employment practices
- Know your organization's exposures (pre-employment, after the hire, contractors, high hazard work)



# Questions?

## *Marijuana at Airports*